Thai Eastern Group Holdings Public Company Limited

Management Discussion and Analysis (MD&A)

For the Three-Month and Nine-Month Periods Ended September 30, 2026

📌 Executive Summary

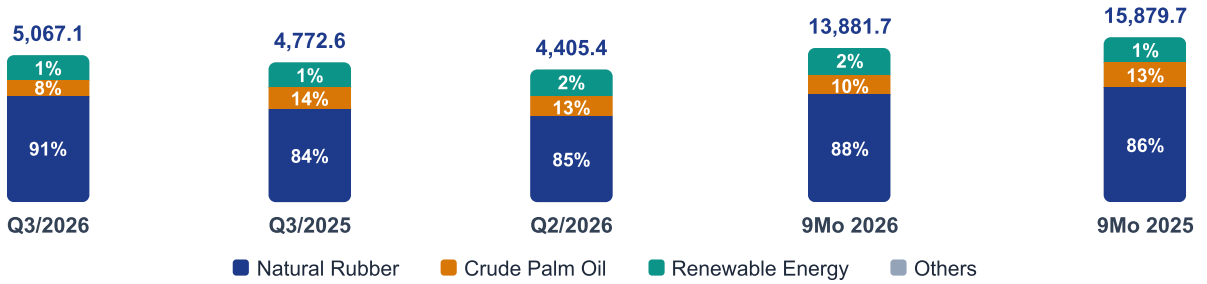
For the three-month period ended September 30, 2026, the Group generated total revenue from sales and services of **THB 5,067.07 million**, representing an increase of **6.2% YoY** (up THB 294.52 million) compared to Q3/2025 and an increase of **15.0% QoQ** (up THB 661.66 million) compared to Q2/2026. Revenue contribution in Q3/2026 was comprised of natural rubber (91.0%), crude palm oil (8.0%), and renewable energy & organic waste management (1.0%). For the nine-month period ended September 30, 2026, cumulative revenue totaled **THB 13,881.69 million**, decreasing 12.6% YoY. Net profit for Q3/2026 reached **THB 140.72 million**, achieving an impressive surge of **+178.2% YoY**.

THB 5,067.07 M
Sales & Services Revenue Q3/2026
(+6.2% YoY / +15.0% QoQ)

THB 401.82 M
Gross Profit Q3/2026
(+43.0% YoY / +6.0% QoQ)

THB 140.72 M
Net Profit Q3/2026
(+178.2% YoY)

📊 Revenue Breakdown by Business Segment (THB Million)



Condensed Statement of Comprehensive Income Comparison

Item (THB M)	Q3/2026	Q3/2025[1]	%YoY	Q2/2026	%QoQ	9Mo 2026	9Mo 2025[1]	%YoY
Revenues from sales of goods and services	5,067.07	4,772.55	+6.2%	4,405.41	+15.0%	13,881.69	15,879.66	-12.6%
Cost of sales and services	4,665.25	4,491.47	+3.9%	4,026.26	+15.9%	12,770.16	14,599.03	-12.5%
Gross profit	**401.82**	**281.08**	**+43.0%**	**379.15**	**+6.0%**	**1,111.54**	**1,280.63**	**-13.2%**
Other revenue	5.46	6.95	-21.4%	7.82	-30.2%	25.41	26.36	-3.6%
Selling and distribution expenses	186.87	198.91	-6.1%	157.15	+18.9%	494.92	629.87	-21.4%
Administrative expenses	60.13	57.52	+4.5%	64.70	-7.1%	194.35	186.09	+4.4%
Gain (loss) on exchange rates	(6.87)	42.94	-116.0%	5.85	-217.4%	(9.12)	60.69	-115.0%
Operating profit (EBIT)	**153.41**	**75.72**	**+102.6%**	**171.47**	**-10.5%**	**439.69**	**552.91**	**-20.5%**
Share of profit from investments in joint ventures	21.21	12.18	+74.1%	23.41	-9.4%	52.50	56.41	-6.9%
Finance income	0.48	1.18	-59.3%	0.50	-4.0%	1.61	3.22	-50.0%
Finance costs	37.11	42.94	-13.6%	26.14	+42.0%	93.49	150.13	-37.7%
Income tax	(2.73)	(5.62)	-51.4%	3.64	-175.0%	12.49	23.13	-46.0%
Profit for the period	**140.72**	**50.58**	**+178.2%**	**165.10**	**-14.8%**	**386.70**	**438.07**	**-11.7%**

(1) Reclassified for comparative presentation to conform with current period presentation.

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Segment Analysis - Natural Rubber Business

1. Revenue from Natural Rubber Business

For the three-month periods ended September 30, 2026, September 30, 2025, and June 30, 2026, the Group's revenues from the natural rubber business were **THB 4,608.10 million**, **THB 4,026.51 million**, and **THB 3,745.92 million**, respectively. For the nine-month periods ended September 30, 2026 and 2025, segment revenues were **THB 12,275.87 million** and **THB 13,664.93 million**, respectively. Most of the revenue in this business was derived from the production and distribution of block rubber, summarized as follows:

Revenue from Natural Rubber Business (THB M)	Q3/2026	%[1]	Q3/2025[2]	%[1]	Q2/2026	%[1]
1. Revenue from block rubber sales	4,360.35	94.6%	3,875.55	96.3%	3,621.46	96.7%
2. Revenue from concentrated latex sales	238.20	5.2%	131.43	3.3%	113.14	3.0%
3. Others	9.55	0.2%	19.53	0.4%	11.32	0.3%
Total Revenue from Natural Rubber	**4,608.10**	**100.0%**	**4,026.51**	**100.0%**	**3,745.92**	**100.0%**

Item (Nine-Month Period) (THB M)	9Mo 2026	%[1]	9Mo 2025[2]	%[1]
1. Revenue from block rubber sales	11,683.58	95.2%	13,151.05	96.2%
2. Revenue from concentrated latex sales	553.82	4.5%	459.13	3.4%
3. Others	38.47	0.3%	54.75	0.4%
Total Revenue from Natural Rubber	**12,275.87**	**100.0%**	**13,664.93**	**100.0%**

Notes: (1) Percentage of total natural rubber revenue. (2) Reclassified for comparative presentation.

Analysis of Variance - Natural Rubber Segment

Three-Month Period Performance (Q3/2026): Segment revenue YoY increased by THB 581.59 million (+14.44%) and QoQ increased by THB 862.18 million (+23.02%), mainly driven by:

- **Block Rubber Sales:** YoY increased by THB 484.80 million (+12.51%), resulting from higher selling prices. QoQ increased by THB 738.89 million (+20.40%), driven by slightly increased sales volume while selling prices rose sharply.
- **Concentrated Latex Sales:** YoY increased by THB 106.77 million (+81.24%) due to increases in both sales volume and selling price. QoQ surged by THB 125.06 million (+110.54%), fueled by substantial expansion in sales volume and selling price improvements.

Nine-Month Period Performance (9Mo 2026): Segment revenue decreased by THB 1,389.06 million (-10.17% YoY), primarily due to:

- **Block Rubber Sales:** Decreased by THB 1,467.47 million (-11.16%), resulting from lower sales volume despite higher average selling prices during the period.
- **Concentrated Latex Sales:** Increased by THB 94.69 million (+20.62%), driven by sales volume expansion and slight selling price increases.

2. Revenue from Crude Palm Oil Business

For the three-month periods ended September 30, 2026, September 30, 2025, and June 30, 2026, the Group's revenues from crude palm oil were **THB 380.54 million**, **THB 688.20 million**, and **THB 565.79 million**, respectively. For the nine-month periods ended September 30, 2026 and 2025, segment revenues were **THB 1,364.90 million** and **THB 2,018.80 million**, respectively.

Revenue from Crude Palm Oil Business (THB M)	Q3/2026	%	Q3/2025[(2)]	%	Q2/2026	%	9Mo 26	9Mo 25[(2)]
Crude Palm Oil (CPO)	256.32	67.4%	356.63	51.8%	450.13	79.6%	1,008.41	1,129.19
Palm Kernel	108.57	28.5%	298.82	43.4%	93.32	16.5%	304.45	791.97
Crude Palm Kernel Oil (CPKO)	-	-	7.76	1.1%	-	-	-	16.62
Others	15.65	4.1%	24.99	3.7%	22.34	3.9%	52.04	81.02
Total Crude Palm Oil Revenue	**380.54**	**100.0%**	**688.20**	**100.0%**	**565.79**	**100.0%**	**1,364.90**	**2,018.80**

Analysis of Variance - Crude Palm Oil Business

Three-Month Period Performance (Q3/2026): Segment revenue decreased by THB 307.66 million (-44.71% YoY) and decreased by THB 185.25 million (-32.74% QoQ), primarily due to:

- **YoY Analysis:** CPO sales revenue decreased mainly due to sales volume reduction while average selling price increased. Kernel sales revenue declined due to lower sales volume despite higher average selling prices.
- **QoQ Analysis:** CPO sales revenue decreased due to lower sales volume while average selling price increased. Conversely, kernel sales revenue increased due to higher sales volume while average selling price decreased.

Nine-Month Period Performance (9Mo 2026): Revenue decreased by THB 653.90 million (-32.39% YoY), primarily due to reduced sales volumes of both crude palm oil and palm kernel, partially offset by higher average selling prices.

3. Revenue from Renewable Energy & Organic Waste Management

For the three-month periods ended September 30, 2026, September 30, 2025, and June 30, 2026, segment revenues were **THB 75.29 million**, **THB 53.27 million**, and **THB 89.93 million**, respectively. For the nine-month periods ended September 30, 2026 and 2025, segment revenues were **THB 230.89 million** and **THB 177.92 million**, respectively.

Revenue from Renewable Energy Business (THB M)	Q3/2026	%	Q3/2025[(2)]	%	Q2/2026	%
Organic Waste Management Service	39.98	53.1%	26.68	50.1%	38.39	42.7%
Biogas sales	30.34	40.3%	23.34	43.8%	43.97	48.9%
Electricity generation from Biogas	4.97	6.6%	3.25	6.1%	7.57	8.4%
Total Renewable Energy Revenue	**75.29**	**100.0%**	**53.27**	**100.0%**	**89.93**	**100.0%**

Growth Drivers in Renewable Energy Business: YoY revenue increased by THB 22.02 million (+41.34%) due to higher organic waste intake volume and increased average service fees. QoQ revenue decreased by THB 14.64 million (-16.28%) due to slight decreases in waste intake volume and biogas sales volume. For 9Mo 2026, revenue expanded by THB 52.97 million (+29.77% YoY), supported by stronger organic waste demand from existing clients and higher service fees.

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Cost Structure & Gross Profit Analysis

Cost of Sales and Services Analysis

For Q3/2026, cost of sales and services stood at **THB 4,665.25 million**, up 3.87% YoY and up 15.87% QoQ. For 9Mo 2026, cumulative cost decreased by THB 1,828.87 million (-12.53% YoY) to **THB 12,770.16 million**. Costs of sales and services can be grouped by type of business as follows:

Cost of Sales Breakdown by Business Segment

Cost of Sales (THB M)	Q3/2026	%	Q3/2025[3]	%	9Mo 2026	%
Cost of Natural Rubber Business	4,215.51	90.4%	3,791.10	84.4%	11,234.45	88.0%
Cost of Crude Palm Oil Business	409.65	8.8%	665.92	14.8%	1,406.20	11.0%
Cost of Renewable Energy Business	36.80	0.8%	31.51	0.7%	121.24	0.9%
Other Costs of Sales and Services[2]	3.29	-	2.94	0.1%	8.27	-
Total Cost of Sales & Services	**4,665.25**	**100.0%**	**4,491.47**	**100.0%**	**12,770.16**	**100.0%**

Notes: (1) % of total cost. (2) Transportation costs. (3) Reclassified for comparative presentation.

Detailed Cost Breakdown by Business Segment

(1) Natural Rubber Business Cost: Includes raw material, direct labor, energy, and depreciation. Q3/2026 cost increased by THB 424.41 million (+11.19% YoY) and THB 794.63 million (+23.23% QoQ) primarily due to higher raw material utilization and overheads. For 9Mo 2026, cost decreased by THB 1,244.00 million (-9.97% YoY) due to lower production volume and raw material price fluctuations.

(2) Crude Palm Oil Business Cost: Includes fresh fruit bunches (FFB), labor, and depreciation. Q3/2026 cost decreased by THB 256.27 million (-38.48% YoY) and THB 142.95 million (-25.87% QoQ) due to lower raw material procurement volume. For 9Mo 2026, cost decreased by THB 615.96 million (-30.46% YoY) due mainly to lower production volume.

(3) Renewable Energy Business Cost: Includes labor, maintenance, and depreciation. Q3/2026 cost increased by THB 5.29 million (+16.79% YoY) from asset expansion depreciation, while decreasing THB 13.34 million (-26.61% QoQ) due to reduced maintenance outlays. For 9Mo 2026, cost increased THB 33.04 million (+37.46% YoY) from asset commissioning.

Gross Profit Analysis

For Q3/2026, Q3/2025, and Q2/2026, the Group's gross profit reached **THB 401.82 million**, **THB 281.08 million**, and **THB 379.15 million**, with gross profit margins of **7.93%**, **5.89%**, and **8.61%**, respectively. For 9Mo 2026 and 9Mo 2025, gross profit stood at **THB 1,111.54 million** (8.01% margin) and **THB 1,280.63 million** (8.06% margin).

Gross Profit Breakdown by Segment (THB M)	Q3/2026	Share	Q3/2025	Share	Q2/2026	Share
Natural Rubber Business	392.59	97.7%	235.41	83.8%	325.04	85.7%
Crude Palm Oil Business	(29.11)	-7.2%	22.28	7.9%	13.19	3.5%
Renewable Energy Business	38.49	9.6%	21.76	7.7%	39.79	10.5%
Other Businesses	(0.15)	-0.1%	1.63	0.6%	1.13	0.3%
Total Gross Profit	**401.82**	**100.0%**	**281.08**	**100.0%**	**379.15**	**100.0%**

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Operating Expenses & Net Profit Analysis

Selling and Administrative Expenses (SG&A) Analysis

1. Selling and Distribution Expenses: Consist primarily of contributions to the Rubber Replanting Aid Fund (CESS), transportation costs, and export expenses. For Q3/2026, Q3/2025, and Q2/2026, selling expenses were **THB 186.87 million**, **THB 198.91 million**, and **THB 157.15 million**, respectively. This represents a YoY decrease of THB 12.04 million (-6.05%) due to reduced CESS contributions following lower export volume, and a QoQ increase of THB 29.72 million (+18.91%) in line with seasonal export volume recovery. For 9Mo 2026, selling expenses totaled THB 494.92 million, down THB 134.95 million (-21.43% YoY).

2. Administrative Expenses: Mainly consist of employee benefits, professional service fees, depreciation, and amortization. For Q3/2026, administrative expenses were **THB 60.13 million**, reflecting a YoY increase of THB 2.61 million (+4.54%) due to higher employee-related expenses, and a QoQ decrease of THB 4.57 million (-7.06%) from internal cost management. For 9Mo 2026, administrative expenses totaled THB 194.35 million, increasing 4.44% YoY.

Net Profit and Net Profit Margin Analysis

For Q3/2026, the Group recorded a net profit of **THB 140.72 million** (net profit margin of **2.72%**), compared to THB 50.58 million (1.06%) in Q3/2025 and THB 165.10 million (3.83%) in Q2/2026. YoY net profit surged by **THB 90.14 million (+178.2%)**, demonstrating substantial operating earnings improvement in the natural rubber segment. QoQ net profit decreased by THB 24.38 million (-14.8%) due to seasonal palm oil margin compression.

For the nine-month period ended September 30, 2026, cumulative net profit stood at **THB 386.70 million** (net margin of 2.79%), compared to THB 438.07 million (2.76%) in 9Mo 2025, reflecting resilient margins across rubber and organic waste operations.

💡 Key Financial Highlights

- **Surging YoY Net Profit:** Q3/2026 net profit jumped +178.2% YoY, supported by natural rubber gross profit expansion.
- **Strong Sales Momentum:** Total revenue expanded +15.0% QoQ to THB 5,067.07 million with natural rubber contributing 91%.
- **Robust Clean Energy Business:** Renewable energy gross margin remained high at 51.12%, generating reliable cash flows.

Thai Eastern Group Holdings Public Company Limited

Financial Position Analysis

1. Assets Analysis

As of September 30, 2026, compared to December 31, 2025, total assets increased by **THB 2,425.97 million (+29.96%)** to **THB 10,515.16 million**. Key asset movements include:

- **Cash and Cash Equivalents:** Increased by **THB 54.84 million**, resulting from more efficient trade receivables collection.
- **Trade and Other Receivables:** Increased by **THB 431.40 million**, aligning with substantial sales growth in Q3.
- **Inventories:** Increased by **THB 1,833.64 million**, as the Group built up seasonal raw material inventory to secure supply stability.
- **Property, Plant and Equipment:** Increased by **THB 9.49 million** from ongoing operational asset improvements.

2. Liabilities Analysis

As of September 30, 2026, compared to December 31, 2025, total liabilities increased by **THB 2,304.22 million (+55.74%)** to **THB 6,437.79 million**. This increase was primarily driven by short-term bank borrowings and working capital credit facilities to finance inventory procurement, while overdrafts were prudently managed alongside cash collection.

3. Shareholders' Equity Analysis

As of September 30, 2026, shareholders' equity stood at **THB 4,049.76 million**, an increase of **THB 121.75 million (+3.10%)** from THB 3,928.01 million as of December 31, 2025, primarily driven by cumulative net operating profit recognized during the nine-month period.

📊 Condensed Balance Sheet Summary

Balance Sheet Items (THB M)	30 Sep 2026	31 Dec 2025	Change	% Change
Total Assets	10,515.16	8,089.19	+2,425.97	+29.96%
Total Liabilities	6,437.79	4,133.57	+2,304.22	+55.74%
Shareholders' Equity	**4,049.76**	**3,928.01**	**+121.75**	**+3.10%**

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Key Financial Ratios & Credit Policies

Key Financial Ratios Summary

Financial Ratio	Q3/2026	Q3/2025	Q2/2026	% YoY	% QoQ
Current Ratio (times)	1.22	1.42	1.32	-14.08%	-7.58%
Average Collection Period (days)	25.56	21.42	22.59	+19.33%	+13.15%
Days Inventory Outstanding (days)	101.47	56.83	80.01	+78.55%	+26.82%
Payment Period (days)	5.51	4.88	7.84	+12.91%	-29.72%
Debt to Equity Ratio (D/E) (times)	1.60	1.08	1.16	+48.15%	+37.93%
Gross Profit Margin (%)	**7.93%**	**5.89%**	**8.61%**	**+34.63%**	**-7.90%**
Net Profit Margin (%)	**2.72%**	**1.06%**	**3.83%**	**+156.60%**	**-28.98%**
Return on Assets (ROA) (%)	1.31%	0.63%	1.99%	+107.94%	-34.17%
Return on Equity (ROE) (%)	**3.41%**	**1.32%**	**4.31%**	**+158.33%**	**-20.88%**

Credit and Supplier Payment Policies

💳 Customer Credit Policy & Collection

The Group of Companies has implemented a comprehensive credit management policy tailored for customers, encompassing meticulous guidelines for granting commercial credit (Credit Term) and ensuring adherence to the average debt collection period (Collection Period) within the specified **20 to 90-day range**, with due consideration to prevailing industry dynamics. Each customer's historical payment behavior and financial solvency are subjected to rigorous scrutiny, serving as fundamental criteria for guiding trade credit management. The overarching objective is to vigilantly monitor, exercise prudent control, and proactively mitigate the risk of doubtful debts. In Q3/2026, the Group attained an average debt collection period of **25.56 days**, well within policy limits.

🤝 Supplier Payment Policy

The Group of Companies has established a policy for repaying debts to trading partners. The average debt repayment period is between **30 – 60 days** or the debt repayment conditions as specified in the contract. In Q3/2026, the Group achieved an average debt repayment period of **5.51 days**, with no delayed debt repayment, demonstrating robust liquidity management and excellent supplier discipline.

Thai Eastern Group Holdings Public Company Limited

Sustainability & ESG Governance

🌟 Corporate Vision & Sustainability Path

The Group of Companies is dedicated to leadership in producing sustainable rubber and palm oil raw materials. Our commitment extends across all aspects of our operations, prioritizing societal responsibility, environmental stewardship, and stakeholder engagement throughout the value chain. Our vision, **"World-Class Sustainable Value Chain Partner,"** guides our efforts, supported by our **"Sustainability Development Policy."** This policy serves as a comprehensive guideline encompassing social, environmental, and economic dimensions, underpinned by principles of good corporate governance.

🌱 Environmental Dimension

The Company is committed to operating an environment-friendly business by controlling, preventing, and reducing environmental impacts throughout the value chain:

- **Supply Chain Traceability (EUDR & FSC):** Adhering to measures to trace the origin of goods and rubber products to comply with the European Union's Deforestation-free Products Regulation (EUDR) and FSC standards (Forest Stewardship Council) for sustainable natural rubber development.
- **RSPO Standard:** Maintaining sustainable oil palm cultivation certified under RSPO standards (Roundtable on Sustainable Palm Oil).
- **Clean Energy & Circular Economy:** Prioritizing proactive pollution prevention, energy efficiency enhancement, and the transition to biogas as a sustainable alternative fuel source. Water management strategies prioritize reuse and recycling to conserve resources and safeguard biodiversity.

🤝 Social Dimension

Responding to the expectations of human rights stakeholders, ensuring corporate responsibility towards customers and society, and promoting public benefit alongside business growth. Certified under ISO 14001:2015 and ISO 45001:2018 for environmental and occupational health and safety.

- **Farmer Partnership:** Encouraging smallholders to form community enterprises and large-plot farmer groups to adopt international agricultural standards.
- **Community Empowerment:** Organizing joint community initiatives including Waste-to-Energy projects and the **TEG MARKET PLACE** project, providing opportunities for local communities to sell products to employees and boost household incomes.

⚖️ Governance Dimension

Operating with a strong foundation in good corporate governance, ethics, and zero tolerance for corruption. Maintaining transparent, verifiable raw material procurement at fair prices, rigorous quality control, and robust whistleblowing mechanisms aligned with the Thai Private Sector Collective Action Against Corruption (CAC), alongside ongoing internal and external audit reviews.

Thai Eastern Group Holdings Public Company Limited

Strategic Outlook & Risk Management

1. Growth Strategy and Strategic Outlook

The Group drives sustainable long-term growth through its 3-Pillar Strategy:

- **Pillar 1 - EUDR Leadership in Natural Rubber:** Expanding production capacity for premium EUDR-compliant block rubber to meet growing demand from global tier-1 tire manufacturers, driving margin enhancement and expanding sustainable market share.
- **Pillar 2 - Smart Palm Oil Efficiency:** Enhancing Oil Extraction Rates (OER) and optimizing feedstock supply chains in partnership with community enterprises to mitigate raw material price volatility and improve processing yields.
- **Pillar 3 - Biogas & Bio-Circular Hub Expansion:** Accelerating biogas capacity expansion to establish the largest Bio-Circular Hub in Eastern Thailand, securing long-term recurring revenue and stable cash flows from waste management contracts.

2. Risk Management Framework

The Risk Management Committee closely monitors key operational and financial risks:

- **Commodity Price Volatility:** Employing back-to-back purchasing and disciplined pricing spread strategies to safeguard natural rubber and palm oil processing margins.
- **Foreign Exchange Risk:** Actively utilizing financial hedging instruments, forward foreign exchange contracts, and natural hedges to mitigate currency fluctuations.
- **Climate & Supply Chain Risk:** Monitoring weather patterns (El Niño / La Niña) and maintaining strategic raw material buffer stocks to ensure continuous and uninterrupted factory operations.

📈 Long-Term Value Creation

Through continuous innovation, backward integration with farmers, and clean energy self-sufficiency, Thai Eastern Group Holdings Public Company Limited reinforces its resilient corporate fundamentals to deliver sustainable returns for all shareholders and stakeholders throughout every business cycle.